



Retirement Information for New State Employees

Your retirement plan as an employee of Kentucky state government is designed to give you long-term security in the years after your state service is completed. It also contains valuable benefits for your named beneficiary.

Most state employees belong to the [Kentucky Employees Retirement System](#). Some employees of the Department of Education and the former Workforce Development Cabinet, now part of the Education Cabinet are enrolled in the [Kentucky Teachers' Retirement System](#). After you have identified which one pertains to you, you may request a free booklet detailing your retirement program for your retirement system. If you serve under both systems during your career, you may combine credits when you retire.

Benefit Tiers



What does participation date mean?

Your participation date is when you began paying contributions and earning service credit with KRS. Please note this date may be different from when you were hired. Your participation date can change the level of benefits to which you are entitled, health insurance eligibility, and your eligibility to purchase service.

Why is my participation date different than my hire date?

Some employees are hired into positions which are classified as non-participating by KRS. If you are employed in a non-participating position, you are not eligible to pay into KRS and you do not earn service credit. A common example of this is a probationary period. CERS agencies may use a probationary period for new hires. Let's assume you go to work for an agency with a 6 month probationary period. You will not be eligible to participate with KRS until you have served your 6 months. In this example your participation date with KRS will be 6 months from your hire date.

KRS Benefit Tier Comparison

		Tier 1 <i>Participation before 9/1/2008 Defined Benefit</i>	Tier 2 <i>9/1/2008 through 12/31/2013 Defined Benefit</i>	Tier 3 <i>Participation on or after 1/1/14 Cash Balance Plan</i>
Employee Contribution	Non-Haz	<ul style="list-style-type: none"> 5% total member contribution 	<ul style="list-style-type: none"> 6% total member contribution 5% to defined benefit pension 1% Health Insurance Contribution 	<ul style="list-style-type: none"> 6% total member contribution 5% to defined benefit pension 1% Health Insurance Contribution
	Haz	<ul style="list-style-type: none"> 8% total member contribution 	<ul style="list-style-type: none"> 9% total member contribution 8% to defined benefit pension 1% Health Insurance Contribution 	<ul style="list-style-type: none"> 9% total member contribution 8% to defined benefit pension 1% Health Insurance Contribution
Final Compensation	Non-Haz	<ul style="list-style-type: none"> Average of the highest 5 fiscal yrs (<i>must contain at least 48 months</i>). Includes lump-sum compensation payments (<i>before and at retirement</i>). 	<ul style="list-style-type: none"> 5 complete fiscal yrs immediately preceding retirement; each year must contain 12 months. Lump-sum compensation payments (<i>before and at retirement</i>) are not be included in creditable compensation. 	<ul style="list-style-type: none"> No Final Compensation.
	Haz	<ul style="list-style-type: none"> Average of the highest 3 fiscal yrs (<i>must contain at least 24 months</i>). Includes lump-sum compensation payments (<i>before and at retirement</i>). 	<ul style="list-style-type: none"> Average of the 3 highest fiscal yrs; each year must contain 12 months. Lump-sum compensation payments (<i>before and at retirement</i>) are not be included in creditable compensation. 	<ul style="list-style-type: none"> No Final Compensation.
Benefit Factor	Non-Haz	<ul style="list-style-type: none"> KERS: 1.97%, or 2.0% for those retiring with service for all months between 1/98 and 1/99. CERS: 2.2% if the Participation Date was before 8/1/2004 or 2.0% if Participation Date was after 8/1/2004. 	<ul style="list-style-type: none"> 10 yrs or less = 1.10% Greater than 10 yrs, but no more than 20 yrs = 1.30% Greater than 20 yrs, but no more than 26 yrs = 1.50% Greater than 26 yrs, but no more than 30 yrs = 1.75% Additional yrs above 30 = 2.00%* *2.00% benefit factor only applies to service earned in excess of 30 yrs. 	<ul style="list-style-type: none"> No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and methods adopted by the board based on member's accumulated account balance.
	Haz	<ul style="list-style-type: none"> KERS: 2.49% CERS: 2.50% SPRS: 2.50% 	<ul style="list-style-type: none"> 10 yrs or less = 1.30% Greater than 10 yrs, but no more than 20 yrs = 1.50% Greater than 20 yrs, but no more than 25 yrs = 2.25% 25+ yrs = 2.50% 	<ul style="list-style-type: none"> No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and methods adopted by the board based on member's balance.

KRS Benefit Tier Comparison

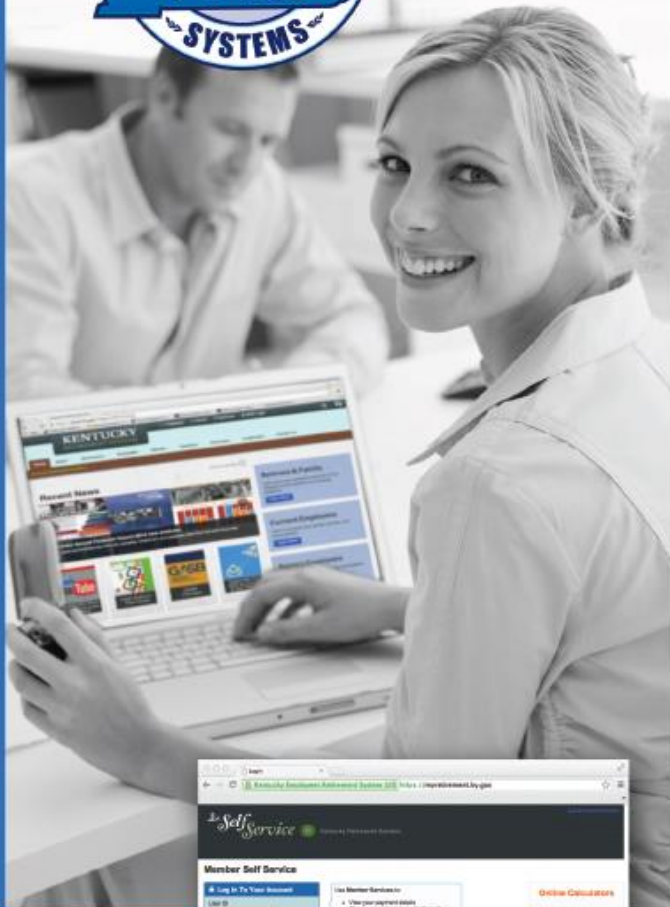
		Tier 1 <i>Participation before 9/1/2008 Defined Benefit</i>	Tier 2 <i>9/1/2008 through 12/31/2013 Defined Benefit</i>	Tier 3 <i>Participation on or after 1/1/14 Cash Balance Plan</i>
Unreduced Retirement Benefit	Non-Haz	<ul style="list-style-type: none"> Any age with 27 yrs of service Age 65 with 48 months of service Money Purchase for age 65 with less than 48 months, based on contributions and interest. 	<ul style="list-style-type: none"> Rule of 87: Member must be at least age 57 and age + earned service must equal 87 yrs at retirement to retire under this provision. Age 65 with 5 yrs of earned service. No Money Purchase calculations. 	<ul style="list-style-type: none"> Rule of 87: Member must be at least age 57 and age + earned service must equal 87 yrs at retirement to retire under this provision. Age 65 with 5 yrs of earned service. No Money Purchase calculations.
	Haz	<ul style="list-style-type: none"> Any age with 20 yrs of service Age 55 with 60 months of service Money Purchase for age 55 with less than 60 months, based on contributions and interest. 	<ul style="list-style-type: none"> Any age with 25 yrs of service. Age 60 with 5 yrs of service. No Money Purchase calculations. 	<ul style="list-style-type: none"> Any age with 25 yrs of service. Age 60 with 5 yrs of service. No Money Purchase calculations.
Reduced Retirement Benefit	Non-Haz	<ul style="list-style-type: none"> Any age with 25 yrs of service Age 55 with 5 yrs of service 	<ul style="list-style-type: none"> Age 60 with 10 yrs of service Excludes purchased service (exception: refunds, omitted, free military) 	<ul style="list-style-type: none"> No reduced retirement benefit
	Haz	<ul style="list-style-type: none"> Age 50 with 15 yrs of service 	<ul style="list-style-type: none"> Age 50 with 15 yrs of service Excludes purchased service (exception: refunds, omitted, free military) 	<ul style="list-style-type: none"> No reduced retirement benefit
Penalty on Reduced Benefit	Non-Haz	<ul style="list-style-type: none"> About 6.5% for each year away from 27 yrs or age 65 	<ul style="list-style-type: none"> About 6.5% for each year away from the rule of 87 or age 65, if age 60 with 10 yrs of service 	<ul style="list-style-type: none"> No reduced retirement benefit
	Haz	<ul style="list-style-type: none"> About 6.5% for each year away from 20 yrs or age 55 	<ul style="list-style-type: none"> About 6.5% for each year away from 25 yrs or age 60 	<ul style="list-style-type: none"> No reduced retirement benefit

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Health Insurance	Non-Haz	Participation before 7/2003: <ul style="list-style-type: none"> Based on yrs of service and type of service KRS pays a percentage of the monthly contribution rate 	<ul style="list-style-type: none"> 15 yrs for eligibility Benefit of \$10 per month for each year of earned service without regard to maximum dollar amount; adjusted by 1.5% annually 	<ul style="list-style-type: none"> 15 yrs for eligibility Benefit of \$10 per month for each year of earned service without regard to maximum dollar amount; adjusted by 1.5% annually
		Participation after 7/2003: <ul style="list-style-type: none"> 10 years of earned service at retirement to be eligible for insurance benefits Benefit of \$10 per month for each year of earned service without regard to a maximum dollar amount; adjusted annually 		
	Haz	Participation before 7/2003: <ul style="list-style-type: none"> Based on yrs of service and type of service KRS pays a percentage of the monthly contribution rate 	<ul style="list-style-type: none"> 15 yrs for eligibility Benefit of \$15 per month for each year of earned service without regard to maximum dollar amount; adjusted by 1.5% annually. \$10 per month for each year of hazardous service for surviving spouse of deceased member. 	<ul style="list-style-type: none"> 15 yrs for eligibility Benefit of \$15 per month for each year of service without regard to maximum dollar amount; adjusted by 1.5% annually. \$10 per month for each year of hazardous service for surviving spouse of deceased member.
		Participation after 7/2003: <ul style="list-style-type: none"> 10 yrs of earned service at retirement to be eligible for insurance benefits Benefit of \$15 per month for each year of earned service without regard to a maximum dollar amount; adjusted annually 		
Sick Leave at Retirement	Non-Haz/Haz	<ul style="list-style-type: none"> KERS: Unlimited amount (most agencies) amount used toward determining retirement benefits. CERS: (Optional for CERS employers) Employer chooses level and amount used toward determining retirement benefits. 	<ul style="list-style-type: none"> Limited to 12 months between KERS, CERS, and SPRS for purposes of determining monthly benefits. Does not count towards retirement eligibility or health insurance. 	<ul style="list-style-type: none"> Not eligible for sick leave credit. Not eligible for sick leave credit in CERS if Participation Date in CERS is on or after 1/1/2014 even if an earlier Participation Date is established in KERS or SPRS.

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Cost of Living Adjustment (COLA)	Non-Haz/Haz	<ul style="list-style-type: none"> No COLA unless authorized by the Legislature with specific criteria. This impacts all retirees regardless of Tier. 	<ul style="list-style-type: none"> No COLA unless authorized by the Legislature with specific criteria. This impacts all retirees regardless of Tier. 	<ul style="list-style-type: none"> No COLA unless authorized by the Legislature with specific criteria. This impacts all retirees regardless of Tier.
Distribution of funds before retirement	Non-Haz/Haz	<ul style="list-style-type: none"> Employee contribution plus interest (Rate determined by KRS Board). 	<ul style="list-style-type: none"> Employee contribution plus interest at rate of 2.5%. 	<ul style="list-style-type: none"> Employee contributions and Employee interest if less than five years. Employee contributions and interest plus employer contributions and interest if five or more years.
Service Purchases	Non-Haz/Haz	<ul style="list-style-type: none"> In most cases, does not count toward health insurance benefits if purchased on or after 8/1/2004. Does not count towards retirement eligibility if Participation Date is on or after 8/1/2004. Exceptions: Re contribution of Refund, Sick Leave, Omitted, Free Military and Hazardous Conversion. 	<ul style="list-style-type: none"> Service purchases do not count towards retirement eligibility. Exceptions: Re contribution of Refunds, Omitted, and Free Military. 	<ul style="list-style-type: none"> Re contribution of Refunds, the purchase of omitted service and Military Omitted are the only purchases allowed. A re contribution of a refund will not alter the participation date for re contribution of refunds made on or after 1/1/2014; however, the purchase of omitted service WILL change the Participation Date.
Inviolable Contract	Non-Haz/Haz	<ul style="list-style-type: none"> "Inviolable Contract" language covers all benefits except COLA and retiree health benefits after 7/2003 	<ul style="list-style-type: none"> "Inviolable Contract" language covers all benefits except COLA and retiree health benefits after 7/2003 	<ul style="list-style-type: none"> Accrued benefits would remain protected but the Legislature could change prospective benefits if fiscal circumstances call for it.



YOUR RESOURCES

Our Website

<https://kyret.ky.gov>

- Links to Member Education Videos
- Member Forms and directions
- News & Updates
- Publications (*Recent and Archive*)
- Contacting Us

Self Service

MyRetirement.ky.gov

- Update your personal information
- Calculate your benefits
- Get your retirement information

Member Education

Videos located at youtube.com/user/KentuckyRetire

• Video Library

How-to Videos

How to Retire

How to fill out form 6000

How to Calculate Your Benefit

...and more!

• Webinars

(Interact and ask questions)

• Town Hall

(the latest information and what it means to you)

• On-location Outreach

Member Communications

[www.Facebook.com/kyretirement](https://www.facebook.com/kyretirement)

Twitter - @KYretire

- Up-to-date information as it happens
- New releases of videos & publications
- Instant notification of Webinars

Retirement Counselors

• Call Center

Monday - Friday 8:00am - 4:30pm

1-502-696-8800 or 1-800-928-4646

• On-site Counselors

Perimeter Park West

1260 Louisville Road

Frankfort, KY 40601

• Email

krs.mail@kyret.ky.gov

General Questions only (unsecure)